COLLECTIVE BARGAINING AGREEMENT

between

EL DIA, INC.

and

UNITED STEEL WORKERS OF AMERICA

AFL-CIO-CLC

LOCAL CHAPTER 6135

Effective January 1, 1997
through December 31, 1999

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COLLECTIVE BARGAINING AGREEMENT

BETWEEN

EL DIA, INC.

AND UNITED STEELWORKERS OF AMERICA

AFL-CIO-CLC AND LOCAL CHAPTER 6135

APPEARING:

AS PARTY OF THE FIRST PART: **EL DIA, INC.**, represented in this act by its duly authorized Officials, hereinafter referred to, for the purposes of this Agreement, as **"THE COMPANY"**.

AS PARTY OF THE OTHER PART: **UNITED STEELWORKERS OF AMERICA, AFL-CIO-CLC AND LOCAL CHAPTER 6135**, hereinafter referred to as **"THE UNION"**, represented in this act by its duly authorized Officials.

WITNESSETH

That the parties acknowledge the need for a Collective Bargaining Agreement in order to maintain industrial peace between employers and employees, and also to acknowledge that a Collective Bargaining Agreement is in the forefront among the most effective means to preserve the industrial peace and good relations that should prevail between the parties. The basis for said relations are stipulated in the Agreement as a clear expression of the rights and obligations of each party, with the purpose of improving the working conditions and the quality of life of employees, as well as promoting a higher degree of efficiency and yield in their work and in the performance of their duties.

ARTICLE I

BARGAINING UNIT

EL DIA, INC. recognizes the Union as a bona fide labor organization and accepts it as the exclusive representative of its employees in the areas pertaining to newsroom, supplements, production, maintenance, distribution, office, editors, advertising, secretaries, reporters, photographers, clerical employees, district managers, horseracing editor, librarian, sports statistics, messengers, janitors, leadperson, collectors, traffic lights deliveries, senior pressman, legal notices senior clerk, suscription salespeople, home delivery, photomechanical technician, radiotelephone operator, senior cameraman, translators, tool and die mechanics, and electricians-electronic technicians, but excluding executives, department or section heads with subordinate personnel, supervisors, executive secretaries, guards, and any other employees specifically excluded by law.

Section heads or department heads and supervisors with no subordinate personnel and who do not perform all the duties and obligations related to their jobs, and who are currently employed or are designated after this Agreement becomes effective, shall not be excluded from the Bargaining Unit.

ARTICLE II

ASSURANCE OF THE UNION'S EXISTENCE

The Company in no way shall help, promote or finance any other similar organization or plan for employee representation that will obstruct or interfere with the enforcement of this Collective Agreement. In accordance with the provisions of the law, the Company shall not discriminate against any employee for reason of his/her activities within the Union.

ARTICLE III

MANAGEMENT RIGHTS

The Union recognizes that the Company has the exclusive right to administer, direct, supervise and establish rules of discipline, employ personnel and organize the work, as well as to establish the most feasible and economical working conditions, provided it is not in conflict with the provisions of this Collective Agreement.

ARTICLE IV

UNIONIZED SHOP

A. It shall be a condition for employment that all Company employees covered by this Agreement who are members of the Union on the date this Agreement is executed, be up to date in the payment of their dues as members of the Union, and that those employees who are not members of the Union on the date of the execution of this Agreement, must become such members by the thirty-first (31st) day following the execution of the Agreement, and be up to date in their dues payments. It shall also be a condition for employment that all employees covered by this Agreement and who are hired on or after the date this Agreement is executed, must become members of the Union by the thirty-first (31st) day after having been hired and be up to date in the payment of their dues.

B. The Company agrees that upon written request from the Union, it shall discharge any employee covered by this Agreement who fails to become a member of the Union during the specified period or that is in arrears in the payment of his/her dues, subject to the provisions applicable by law.

ARTICLE V

CHECK-OFF

Subject to the provisions of the laws that authorize and regulate dues check-off, the Company agrees to deduct the uniform and regular dues set by the Union, and inform in writing which deductions shall be made from the wages earned by every member of the Union covered by this Agreement, once each member gives his/her written authorization. The Company shall remit the weekly dues to the International Secretary-Treasurer of United Steelworkers of America, Five Gateway Center, Pittsburgh, Pennsylvania 15222, together with a listing of the names of the persons to whom the deductions were made. A copy of said listing shall be delivered to the Financial Secretary of the Union's Local Chapter. The Company shall not be responsible for dues lost after being delivered to representatives of the Union, nor for dues uncollected by involuntary error. In addition, the Company shall deduct the amount of $10.00 from each person employed thirty-one days after this Agreement becomes effective. Said $10.00 will be an initiation fee and shall be sent, together with any other applicable amounts, to the International Treasurer, following the above specified procedure. It is also agreed that the Union shall observe the enforcement of Law Number 17 of April 17, 1931, as amended, in its Section 5, Clause "D".

ARTICLE VI

EMPLOYEES UNDER PROBATORY CONTRACT

A. Any person who has been employed by the Company for less than ninety (90) calendar days shall be considered as a probatory employee.

B. After one month of employment, such employee shall be entitled to Grievance procedures as established in the Collective Agreement, except for what concerns being retained in his/her job at the completion of said ninety (90) calendar days, whose decision shall be the Company's.

C. During the probatory period, the employee shall enjoy all the benefits of this Agreement, with the following exceptions: Life Insurance, Medical Plan, Retirement Plan, Sickness Leave, and Severance Pay. However, he or she shall have all the rights afforded by mandatory decrees and laws.

D. Due to the nature of their work, the probatory period of certain employees, specifically district managers, may be extended if necessary, to thirty (30) additional days, provided the Company notifies the Union about the evaluations performed at the end of sixty (60) days. Such request must be made fifteen (15) days in advance of the conclusion of the original probatory period.

ARTICLE VI-A

EMPLOYEES UNDER TEMPORARY CONTRACTS

A. The Company may hire temporary employees for special jobs for periods of time not to exceed ninety (90) calendar days. This temporary period may be extended under exceptional circumstances with the Union's consent, which shall not be unreasonably denied. However, such extensions shall not exceed ninety (90) additional calendar days, for a total of one hundred-eighty (180) calendar days, at which time the Company shall have the option of either discharging the employee or hiring him/her on a permanent basis.

If for any reason, the first ninety (90) days or one hundred-eighty (180) days, as the case may be, are exceeded, the Company shall not be necessarily obligated to hire the temporary employee on a permanent basis, but will also have the option of discharging him or her. However, if within ten (10) days before the end of the term, the Union calls to the attention of the Company that said period is about to expire, the Company shall have until the expiration date to discharge the employee, or else hire him or her on a permanent basis. If the Union notifies the Company that the term has expired, the Company shall have ten (10) days to either discharge the employee or hire him or her on a permanent basis.

If the Company decides to discharge the employee once the one hundred-eighty (180) days have elapsed, no other temporary employee shall be hired to perform the same job with the purpose of evading the intention of this Section.

B. Notwithstanding the above, the Company may hire temporary employees to perform the work of employees covered by this Agreement, who have been granted any kind of leave by virtue of this Agreement or by any legal provision.

C. The salary to be earned by temporary employees shall be set by the Company and will not be in conflict with the salaries stipulated in this Agreement.

D. Temporary employees shall not be covered by the Collective Agreement. However they will be entitled to all the rights granted to them by mandatory decrees and the law.

E. The Company shall deliver to the Union copy of any contract for temporary employment, and the Union shall acknowledge its receipt. Said contract shall include the employee's name, the department to which he or she was assigned, the starting date of employment, and the expiration date of the temporary term.

ARTICLE VII

CREATION OF NEW JOBS

1. The Company may create jobs within the Bargaining Unit with a different classification from those stipulated in this Agreement, and establish the duties and salaries thereof, which shall be notified to the Union. Should the Union not agree with the salary set by the Company for the newly-created job or jobs, the Union may request to discuss the case with the Company within ten days from the date of notification. If no agreement is reached, the Union may then submit the matter to the Grievance Committee established under the present Agreement.

2. The Company shall post notices of new job openings or vacancies that may be available, at least one week before hiring a new employee, so that any member who qualifies and is interested in the job may apply. Copy of the notice shall be notified to the International Representative of the Union and to the Chapter, and will also be posted on bulletin boards.

3. The Company and the Union are both conscious of the values and skills of employees within the Bargaining Unit. In harmony with these recognized concepts regarding said employees, they will be considered as having priority at the time any newly-created job is to be filled. Hence, priority shall be given to the employee with the higher seniority in the department or departments where the new jobs are created, provided he or she is qualified to perform the work. If the employee qualifies for the job, the Company may provide the necessary training to allow the employee to fulfill all the needs of the job.

In case no member covered by the Bargaining Unit applies for the job, the Company shall then proceed to select a new employee.

4. In case the Company needs to consolidate jobs, it shall notify the Union before proceeding to such consolidation for the purpose of trying to reach an agreement.

ARTICLE VIII

JOB RECLASSIFICATION

Any permanent changes in the routine duties of an employee which carry additional duties, a higher quality of work, or added responsibilities for the employee, shall be deemed as good reason to review the job's classification. Requests for reclassification shall be made in writing with full details about its alleged justification, and sent to the Union with copy to the Company. The Company shall consider the job reclassification within ten (10) working days upon receipt of the request, and shall have the obligation to inform its decision in writing to the Union and to the employee.

If the Union and the Company should agree that the employee merits reclassification due to his/her added duties, quality of work, or responsibilities, said reclassification and the pay agreed to between the Company and the Union, shall become effective on the date that the request was formalized.

ARTICULO IX

SEVERANCE PAY

1. Any employee discharged for any reason other than the commission of an unlawful act, grave insubordination or crass negligence in his/her work, shall receive a lump sum equivalent to eighty five (85) hours for each six (6) months or fraction thereof of continuous service to the Company, up to a maximum of twenty six (26) weeks.

2. Such severance pay shall be based on the last salary earned by the employee at the time he or she was separated from the job.

3. Furthermore, the employee shall have the right to receive the contractual Christmas Bonus and to be paid for any sick leave accrued at the time the separation became effective, as well as to be covered by any right provided by this Agreement or by law.

4. Full settlement shall be made no later than the regular pay day of the last week worked by the dismissed employee.

5. The parties make clear that the phrase "commision of an unlawful act" shall mean engaging in conduct that may constitute an unlawful act punishable by the penal code of Puerto Rico. "Grave insubordination" shall mean a conduct of discbeyance to an order, either deliberately or which has had grave repercussions on the Company's business, or done in front of other employees as an act of confrontation against the management. It also shall mean an act by a person who, upon receiving orientation from the management as to his or her failure to follow an order, insists on disobeying it. "Crass negligence" shall mean an act of neglect by

ommision or commission whose consequences negatively affect the Company.

ARTICLE X

SICK LEAVE

Employees shall be entitled to sick leave up to a maximum of twenty-one (21) calendar days of eight (8) hours each per year, with full pay at the hourly regular rate established by the Agreement.

Leave not used by the employee in excess of 5 days during the first year of the Agreement; in excess of 10 days during the second year of the Agreement; and in excess of 15 days during the third year of the Agreement, shall be paid on January 5. Whenever possible, the employee shall notify the employer about his/her ill condition on the first day of absence. To qualify for sick leave, medical certificates shall be required after two days of absence.

ARTICLE XI

JOB SECURITY FOR EMPLOYEES RETURNING FROM MILITARY DUTY

Personnel employed to fill jobs whose incumbents had left to enter military service, shall cease in said jobs when so required by the Company, so that the old employees may resume their jobs upon returning from service, provided that their physical and mental conditions were not affected. In case there were promotions during that period, the employees who were promoted shall return to their old jobs and receive the salary for that job at the time of the change. In addition, they shall have preference in the case of future promotions.

ARTICLE XII

EQUIPMENT EXPENSES FOR PHOTOGRAPHERS;
AUTOMOBILE EXPENSES FOR EDITORS,
REPORTERS AND PHOTOGRAPHERS,
AND PERSONNEL WHO MUST USE
THEIR OWN MEANS OF TRANSPORTATION

A. Equipment Expenses for Photographers

While this Agreement is in effect, the Company shall allot THREE THOUSAND DOLLARS ($3,000.00) annually for expenses incurred in photographic equipment used for the Company. Said amount shall be available yearly for the purchase of photographic equipment to be used by photographers in the performance of their work for the Company. The unused balance by December 31 shall be refunded to each photographer no later than January 5 of the ensuing year.

It shall be the individual responsibility of each photographer to have adequate equipment for the performance of his/her duties.

B. Automobile Expenses

1. While this Agreement is in effect, the Company shall allot a car allowance of SIX HUNDRED DOLLARS ($600.00) monthly for Reporters, Photographers and Messengers. All expenses incurred, including insurance coverage for their vehicles, shall be borne by said employees.

2. While this Agreement is in effect, the Company shall allot a car allowance of ONE THOUSAND DOLLARS ($1,000.00) monthly for Distributors, District Managers, Suscription and Traffic Lights Dealers, and Collectors. All expenses incurred, including insurance coverage for their vehicles, shall be borne by said employees.

a) Employees shall have the right to the car allowances indicated in this subsection while being on vacation.

b) Employees covered by this subsection who are absent due to verifiable illness for a period of fifteen working days or more and have accrued fifteen or more days of sick leave, shall receive their car allowance proportionately.

3. It shall be the duty of all employees receiving car allowance to insure their vehicles (100m/300m in Public Liability), such policy to be paid from the car allowance hereby established. Copy of the policy's endorsement to El Dia, Inc. shall be delivered to the Company during the month of January of each year.

C. Adjustment for Increases in Gasoline Prices

Beginning January 1, 1997, for any increase in the price of unleaded gasoline in effect on that date, as established by the appropriate government agency, groups receiving car allowance shall be compensated in the amount of one dollar ($1.00) monthly for each 2-cent increase, and one dollar fifty cents ($1.50) monthly for each 3-cent increase. This payment shall be made quarterly on March 31, June 30, September 30, and December 31 of each year that this Agreement is in effect.

D. Payment of Per Diem

Regarding per diem for work outside the Metropolitan Area, the Company shall continue paying per diem in the same manner as it has been doing so up to the present time.

ARTICLE XIII

MATERNITY LEAVE

Female employees who are pregnant shall be entitled to four (4) weeks of rest before delivery and to four (4) weeks of rest thereafter, to be compensated at one hundred per cent (100%) of their regular weekly salary while this Agreement is in effect. The employee may opt to have up to at least one (1) week of prenatal rest and extend her postnatal rest up to seven (7) weeks, provided she presents a Medical Certificate vouching that she will be able to work until one week before childbirth. Once the employee is in conditions to return to work, her job shall be guaranteed.

Should the employee suffer any postpartum complications that would unable her to work or to return to her job after the eight (8) weeks of rest, she shall be entitled to an additional four (4) weeks of rest without pay. Maternity Leave shall be requested in advance through a medical certificate. Female employees on maternity leave shall earn annual vacation time during the calendar year in which they start enjoying their leave. They may also earn sick leave, provided the medical condition is not related to the pregnancy or to the childbirth, and that the employee returns to work at the end of her maternity leave and has used up the additional four weeks without pay.

In the case of a natural miscarriage, working mothers shall be entitled to the same rights as if it were a normal delivery, it being provided that when granting this right, the Regulations of the Secretary of Labor shall be used as a guide.

ARTICLE XIV

WORKING WEEK AND OVERTIME

A. The Company's regular working week for all its employees shall cover forty (40) hours per week.

B. Overtime paid to all employees covered by this Collective Agreement in addition to their regular pay, shall be as follows:

1. Eight (8) hours shall be the regular working period for each twenty-four (24)-hour period, and the remaining hours shall be for rest.

2. Any work performed in excess of eight (8) hours within each twenty-four (24)-hour period, that is, within the sixteen (16)-hour resting period, shall be paid at twice the regular hourly rate established in this Agreement.

3. Any work performed in excess of forty (40) hours per week, as provided in the first paragraph of this Article, shall be paid at twice the regular hourly rate established in this Agreement.

4. The working schedule for District Managers shall be from 5:00 a.m. to 9:00 a.m. and from 4:00 p.m. to 8:00 p.m., except on Saturdays, when it will be from 5:00 a.m. to 10:00 a.m. and from 11:00 a.m. to 2:00 p.m. The Company may change this schedule for justifiable reasons upon five (5) days of advance notice.

5. The working schedule for editors, photographers and translators shall be established as required. The starting working time shall be set according to the needs of the Company.

ARTICLE XIV-A

DIFFERENTIAL

The Company shall pay a differential over the regular hourly pay rate established in this Agreement, to all those employees whose shifts start within the hours of four in the afternoon (4:00 p.m.) to four in the morning (4:00 a.m.) of the next day, as provided below:

1. All employees whose regular work shift starts after four in the afternoon (4:00 p.m.) shall receive a differential over their regular hourly rate of forty-six cents ($0.46) per hour. If the employee's regular work shift starts after nine in the evening (9:00 p.m.), the differential over their regular hourly pay rate shall be of sixty cents ($0.60) per hour. Said differential shall be increased during the last year of the Agreement to forty-eight cents ($0.48) and sixty-three cents ($0.63), respectively.

2. In the specific case of District Managers, the Company shall pay all District Managers a differential over the regular pay rate per hour of forty-six cents ($0.46) over the second part of the daily shift, when said second part starts after four in the afternoon (4:00 p.m.). Said differential shall be increased, starting on January 1, 1999, to forty-eight cents ($0.48).

3. Photographers, editors and reporters shall receive differential pay, except those who receive car allowance and do not frequently and regularly use their vehicles in the performance of their duties.

ARTICLE XV

PER DIEM FOR WORK PERFORMED ON OVERTIME

1. Shop, Mailing Room, and Pre-Press employees who perform continuous work during their regular lunch or dinner hours and are unable to leave the workplace to have their meals, shall have to right to be provided with food for an amount of $6.50 starting on January 1, 1997, and of $6.75 starting on January 1, 1999. The supervisor who authorizes such continuous work shall make the arrangements to provide the food or its cost, which shall not exceed $6.50, starting on January 1, 1997, and $6.75 starting on January 1, 1999. It is hereby provided that lunch or dinner shall be paid only once during a twenty-four (24)-hour period.

ARTICLE XV-A

REST PERIOD FOR MEALS

DURING REGULAR SHIFT AND OVERTIME

Employees of the Bargaining Unit shall take their first meal period not before their third working hour nor after the start of their sixth working hour, just as it has been done up to the present, so that the employee shall not work more than five (5) consecutive hours without enjoying his/her meal period.

Should employees be required to work more than two (2) hours of overtime, that is, after their tenth working hour, they shall have a second meal period not to be taken after the fifth hour of their first meal period, and will be reduced to one-half hour. Should the overtime not exceed two (2) hours, the second meal period provided by law may be omitted by individual agreement between the employee and the Management.

ARTICLE XVI

GRIEVANCE COMMITTEE

A. The Company and the Union agree on the establishment of a Grievance Committe to solve disputes that may arise when it be understood that this Agreement has been violated by either of the parties, or that discrimination was commited by either party.

B. This Committee shall be composed of three (3) members for the Company and three (3) members for the Union. In cases of disciplinary actions, the immediate Supervisor of the affected employee shall not be a member of the Committee for the Company, but may participate as a witness.

C. The following steps shall be taken in the solution of grievances:

Step 1: The employee shall discuss the matter with his/her immediate supervisor within six (6) working days, Monday through Friday, excluding Saturdays and holidays, from the date in which the situation that gave rise to the complaint occured. The shop delegate may intervene at the request of the employee. After said meeting is held, the supervisor shall then have six (6) working days, Monday through Friday, excluding Saturdays and holidays, to render his/her decision in writing to both the employee and the Union.

Step 2: If the immediate supervisor does not resolve the matter in question to the employee's satisfaction, the employee or the delegate shall submit the grievance in writing to Management within a period not to exceed three (3) working days Monday through Friday on office hours (9:00 a.m. to 6:00 p.m.), excluding Saturdays, Sundays and holidays. The complaint shall be discussed at the earliest possible time by the Grievance Committee and the person or persons designated by Management. The meeting shall be held on a date no later than ten (10) working days in the case of disciplinary actions, and no later than thirty (30) working days in other cases, from the date in which the grievance was submitted to Management. After the case is discussed by the Grievance Committee, Management shall then have three (3) working days to render its decision in writing.

Step 3: Arbitration. If the grievance is not resolved satisfactorily in the second step, the Union shall submit the matter to arbitration within thirty (30) working days from the date the Company's decision was received. The request shall be made to the Conciliation and Arbitration Bureau of the Puerto Rico Department of Labor, it being provided, however, that no provision of this Article shall restrict any employee from trying to settle the problem personally, either with the supervisor or immediate chief, or with any of the Company's executives. Neither the Company nor the Union shall introduce witnesses at the arbitration hearings who had not been introduced during the previous steps, except under extraordinary circumstances.

The terms hereby established are unpostponeable, unless the parties modify them by mutual written consent.

D. The Arbitrator's decision shall be according to law and be final and binding for both parties. The Arbitrator shall not have jurisdiction to alter, amend or modify the provisions of this Agreement.

E. The hearings in which an arbitrator must intervene shall be held in an impartial location that may be selected by mutual accord or by the Arbitrator him/herself.

F. The members of the Grievance Committee and the President of the Local Chapter shall not lose any pay for the regular time they use to attend meetings with management's representatives. The Company shall determine the day and time for the settlement of complaints during Company's working hours and shall convene the Grievance Committee within the terms hereby established.

G. In the case of a dismissal that the Arbitrator determines to have been unjustified, the Arbitrator shall order the re-hiring of the affected employee and the payment of the salary he or she failed to receive.

H. The Company acknowledges that attending to legitimate Union business shall require the presence of members of the Grievance Committee, delegates, officials, directors and employees. These shall receive authorization from their immediate supervisors to attend official matters of the Union, provided it does not affect the work they perform for the newspaper, and then for a reasonable period of time. Such authorization shall not be unreasonably denied.

I. Notification. In all cases of discipline, suspension or dismissal, the Company shall immediately notify the employee, the delegate and the President of the Union.

J. Disciplinary Record

1. Copies of previous disciplinary notices related to the action shall be given to the employee and to the President of the Local Chapter.

2. In cases of disciplinary action due to absence and tardiness, the employee's record during the previous eighteen (18) months shall be taken into consideration.

ARTICLE XVII

GUARANTEE OF MINIMUM DAILY COMPENSATION

A. Every employee shall be entitled to receive, except in cases of unforeseen circumstances or equipment breakup, a daily compensation of no less than the equivalent of six (6) hours of work, provided that:

1. The employee's work is halted within the first six (6) hours, although he or she is available to perform it.

2. The Company can not or does not allow the employee to resume his/her work at the usual time and workplace without having first notified the employee, no later than at the end of the previous day shift, that he/she does not have to work the next day.

B. For the purposes of paragraph A(1) of this Article, it shall be considered that the employee is not available for work only if he or she does not report to work, refuses to work, or is ill and thus unable to perform his/her usual duties.

C. In any of the two cases listed in paragraph A of this Article, the Employer may choose to retain the employee during the first six (6) hours while waiting for an opportunity to resume the work or while performing another work of a similar kind.

D. If an employee completes his/her forty (40) regular weekly hours of work and is required to work on his/her day off, said employee shall be guaranteed eight (8) working hours on the day off at twice the regular pay per hour.

ARTICLE XVIII

VACATIONS

It is the purpose of this plan to provide periods of rest to every employee through a vacation system with pay for all employees covered by this Agreement.

A. ELIGIBILITY

All permanent employees covered by this Agreement shall be entitled to vacation leave with full pay for a period of twenty-three (23) working days (per year) while this Agreement is in effect. Vacation Leave shall be paid based on the salary per hour that the employee was receiving at the time he/she started enjoying Vacation Leave.

B. Employees with one year or more of service with the Company shall be entitled to vacation leave and will enjoy it according to the plan thereby established, except in the case that such leave was taken during the preceding twelve (12) months.

C. Any employee who resigns, is dismissed, or is separated from employment for any reason before completing twelve (12) months of service from the date he/she started to work, or from the date that his/her last vacation leave was taken, shall have the right to said leave in proportion to the time worked.

D. Vacation Leave shall be granted year by year according to the program established by the Company in agreement with the Union.

E. Vacation time shall not accrue in excess of thirty (30) days. Any vacation time over thirty (30) days shall be paid at twice the hourly rate.

F. When any employee earning a lesser pay substitutes another for reason of vacation, days off, sick leave, leave without pay, or any other reason, he or she shall receive the same pay as the person being substituted. This principle shall apply to the effect that, regardless of the employee's condition or scale within the Bargaining Unit, he or she shall receive the same pay as the substituted employee. Notwithstanding the above, this principle shall not apply to persons hired as temporary employees under the provisions of Article VI-A.

G. By agreement between the employee and the Company, accrued vacations may be paid according to the law.

ARTICLE XIX

MEDICAL AND HOSPITAL PLAN

1. While this Collective Agreement is in effect, the Company shall contribute monthly for a Medical and Hospital Plan for each regular employee in the amounts stipulated in clauses (a), (b) and (c) below, including a Basic Dental Plan, covering the employee and his/her dependents. In the case of married couples, the family shall include the employee's spouse and all their unmarried children under 19 years of age.

a. During the first year of the Agreement, the Company shall contribute to the Plan the amount of $303.05 monthly.

b. During the second year of the Agreement, it is hereby established that, should the cost of the Plan exceed $303.05 monthly, but is equal to or less than $333.05 monthly, the responsibility for any excess over $303.05 shall be shared at a ratio of 40% by the Company and 60% by the employee. Payment for any excess over $333.05 shall be the exclusive responsibility of the employee.

c. During the third year of the Agreement, it is hereby established that, should the cost be less than $333.05, the shared responsibility shall be 40% by the Company and 60% by the employee to cover any excess over $303.05. If the cost should exceed $333.05, but is equal to or less than $363.05, the shared responsibility shall be 40% by the Company and 60% by the employee for any excess above $333.05. Payment for any excess over $363.05 monthly shall be the exclusive responsibility of the employee.

2. Should the cost of the Medical Plan increase in excess of the Company's contribution stipulated in this Agreement, the Company, by mutual agreement with the Union, may contract other

Medical Service providers, such as SSS, Blue Cross, MCS, Travelers, etc., and may as well contract other concepts offered by medical providers such as P.P.O., E.P.O., H.M.O., etc. This shall be done provided that the Company's contributions remain those determined in this Agreement. Inasmuch possible, the new policy or concept shall provide coverage that offers the same services and deductibles as the current plan. Should the costs of the medical plan be less than the $303.05 to be contributed by the Company under this Agreement, the difference between such cost and the Company's contribution shall be deposited monthly on a bank account. These funds shall be used to subsidize any future increases in the cost of Medical Services.

ARTICLE XX

LIFE INSURANCE PLAN

Effective January 1, 1997, the Company shall provide a Life Insurance Plan for all permanent employees covered by this Agreement, in the amount of $27,000. Effective January 1, 1998, said coverage shall increase to $29,000, and on January 1, 1999, to the amount of $30,000.

In the case of accidental death, insurance coverage shall be double the above mentioned amounts. Coverage for dismemberment shall be as provided for by the Insurance Company, according to its tables for different kinds of dismemberment. It is the obligation of each employee to designate his/her beneficiaries for the Group Insurance. Said benefits shall be paid regardless of any other insurance being carried, including those benefits offered by the State Insurance Fund.

ARTICLE XXI

HOLIDAYS

All employees shall be entitled to receive pay without work on the following holidays:

1. New Year's Day
2. Three Kings Day
3. Eugenio María de Hostos Day
4. Martin Luther King Day
5. Washington's Birthday
6. Abolition of Slavery Day
7. Good Friday
8. Memorial Day
9. U. S. Independence Day
10. Muñoz Rivera's Birthday
11. Commonwealth Constitution Day
12. Labor Day
13. Columbus Day
14. Veterans' Day
15. Discovery of Puerto Rico Day
16. Thanksgiving Day
17. Christmas Day
18. Employee's Birthday

Should an employee be required to work on any of these holidays, he or she shall receive pay at twice the regular rate of pay per hour.

It is hereby provided that in order to enjoy a holiday with pay, the employee must have worked on the day before and the day after the holiday, except on days preceding the employee's day off. It is also provided that any employee who has work assigned on any of the above mentioned holidays and does not report to work, shall not have the right to receive his/her regular eight (8)-hour pay for the holiday, unless submitting medical evidence of having been ill or that there was an emergency or unforessen problem in the family which prevented him or her from reporting to work.

Should any of the above mentioned holidays fall on a Sunday and is observed the next day, that Monday shall be considered a holiday.

ARTICLE XXII

CHRISTMAS BONUS

The Company shall grant all employees who are members of the Bargaining Unit, a Christmas Bonus of six per cent (6%) of their yearly salary, computed up to a maximum of $25,000 a year. The granting of the Christmas Bonus covers the provisions of the current Christmas Bonus Law of Puerto Rico.

ARTICLE XXIII

BEREAVEMENT LEAVE

In case of the death of any direct relative of an employee covered by this Agreement, such as parents, children, spouse, grandchildren, grandparents, brothers, and sisters, the Company shall grant the employee four (4) days of leave to attend the funeral, which will be paid at the regular rate. In the case of the death of a father- or mother-in-law, three (3) days of leave will be granted at the regular pay per hour.

Should the death occur outside Puerto Rico, the employee shall be granted five (5) days of paid leave. In the case of the death of a father- or mother-in-law outside Puerto Rico, three (3) days of paid leave shall be granted.

ARTICLE XXIV

SALARIES AND CLASSIFICATIONS

Employees belonging to the Bargaining Unit shall be classified in groups according to their duties in the work they perform. Once the employees are classified in the appropriate groups, their salary shall match the basic salary of employees assigned to that group. While this Agreement is in effect, the Company shall pay the following salary raises to the groups thus classified:

1. Effective January 1, 1997, the Company shall grant a raise of fifty cents ($0.50) for each working hour.

2. Effective January 1, 1998, the Company shall grant a raise of sixty cents ($0.60) for each working hour.

3. Effective January 1, 1999, the Company shall grant a raise of sixty-five cents ($0.65) for each working hour.

The prevailing scales of salaries for the years this Agreement is in efect are as follows:

	SALARY 1-1-97	**SALARY 1-1-98**	**SALARY 1-1-99**
GROUP I	$13.02	$13.62	$14.27
GROUP II	$13.08	$13.68	$14.33
GROUP III	$13.23	$13.83	$14.48
GROUP IV	$13.43	$14.03	$14.68
GROUP V	$13.53	$14.13	$14.78
GROUP VI	$13.68	$14.28	$14.93
GROUP VII	$13.91	$14.51	$15.16
GROUP VIII	$14.28	$14.88	$15.53
GROUP IX	$14.43	$15.03	$15.68
GROUP IX-A	$14.73	$15.33	$15.98

GROUP X	$15.03	$15.63	$16.28
GROUP X-A	$15.38	$15.98	$16.63
GROUP XI	$15.78	$16.38	$17.03
GROUP XII	$16.03	$16.63	$17.28
GROUP XIII	$16.38	$16.98	$17.63

4. In lieu of the raises, scales and salaries herebefore indicated, employees who joined the Union from January, 1994, shall earn seventy-five per cent (75%) of the salary paid to the group classification applicable to them, at the pay rate for the year in which he or she joined the Union. On each succeding year of employment, said employees shall be entitled to a five per cent (5%) increase in salary, based on the current salary for the group on that year, Said employees shall receive an additional five per cent (5%) for each year of employment thereafter. When reaching their sixth year of employment, their salary shall match that of the regular employees.

5. Employees who joined the Union from January, 1994, shall have all the benefits of this Collective Bargaining applicable to regular employees, except salaries, vacations and sick leave. Regarding vacations and sick leave, said employees shall be entitled to seventy-five per cent (75%) of the vacation and sick leave benefits hereby established during their first year of employment or as provided in the applicable Mandatory Decree, whichever is more beneficial. On each succeding year of employment, employees shall have the right to a five per cent (5%) increase per year until reaching the sixth year, when their vacation and sick leave benefits shall match those of regular employees.

6. The scale of benefits applicable to employees who joined the Union after January 1, 1994, or who joined the Union under previous collective agreements and are about to be on the same level as regular employees under this Section, is as follows:

YEARS OF SERVICE	**PER CENT OF BENEFITS**	**REGULAR VACATION LEAVE DAYS**	**SICK LEAVE DAYS**
0	70%	16.10	14.70
1	75%	17.25	15.75
2	80%	18.40	16.80
3	85%	19.55	17.85
4	90%	20.70	18.90
5	95%	21.85	19.95
6	100%	23.00	21.00

ANNEX "A"

	SALARY	**SALARY**	**SALARY**
GROUP I	**$13.02**	**$13.62**	**$14.27**
Messenger			
Janitor			
Warehouse Clerk			
Rewinder			
Office Boy/Teletype Operator			
Distribution, Stores			
Distribution, Home Delivery			
GROUP II	**$13.08**	**$13.68**	**$14.33**
Receptionist/Switchboard Operator			
Sales Clerk			
Office Clerk			
Leadman Group I			
Warehouse Supervisor			

GROUP III	**$13.23**	**$13.83**	**$14.48**
Distributors			
Collectors			
Circulation Clerk			
Legal Notices Clerk			
Accounting Clerk			
Assistant Librarian			
Cashier			
Leadman Group II			
GROUP IV	**$13.43**	**$14.03**	**$14.68**
Handyman			
Librarians			
Press and Dispatch General Assistants			
Key Punch Operator			
Legal Notices Senior Clerk			
Circulation Senior Clerk			
Leadman Group III			
Property Supervisor			
GROUP V	**$13.53**	**$14.13**	**$14.78**
Assistant Advertisement Controller			
Senior Sales Clerk			
Leadman Group IV			
VDT Classified Operator			
GROUP VI	**$13.68**	**$14.28**	**$14.93**
Pressman Helpers			
Radiotelephone Operator			
Leadman Group V			
Senior II Sales Clerk			
GROUP VII	**$13.91**	**$14.51**	**$15.16**
Pressman Trainee			

Senior Key Punch Operator

Leadman Group VI

Accounts Payable Clerk

Senior III Sales Clerk

GROUP VIII	**$14.28**	**$14.88**	**$15.53**

Artists I

Mechanic

Composition System Computer Operator

Leadman Group VII

Accounts Receivable Analyst

GROUP IX	**$14.43**	**$15.03**	**$15.68**

Cameraman

Photomechanics Technician

Junior Reporter

Leadman Group VIII

Junior Photographer

GROUP IX-A	**$14.73**	**$15.33**	**$15.98**

District Managers

Senior Accountant

Payroll Officer

GROUP X	**$15.03**	**$15.33**	**$15.98**

Pressman

Senior Cameraman

Composition Format VDT Operator

Senior Mechanic

Proofreaders

Artists II

Leadman Group IX

Electrician

At Large District Managers

Senior Composition System Computer Operator

GROUP X-A	**$15.38**	**$15.98**	**$16.63**

GROUP XI	**$15.78**	**$16.38**	**$17.03**

Editors

Reporters

Senior Pressman

Leadman Group X

Tool & Die Maker/Senior Mechanics

GROUP XII	**$16.03**	**$16.63**	**$17.28**

Editor-Reporter

Color Separation Specialist

Photographers

Leadman Group XI

GROUP XIII	**$16.38**	**$16.98**	**$17.63**

Senior Editor-Reporter

Senior Color Separation Specialist

Senior Photographers

Senior Leadman Group XII

ARTICLE XXV

STRIKES AND LOCKOUTS

A. The Union and the Company, with the purpose in mind of providing this Agreement a fair and reasonable procedure to discuss and reach the final settlement of any dispute or grievance that may arise while the Agreement is in effect, do hereby agree to the following:

1. While this Agreement is in effect, the Company shall not resort to lockout as a means of discriminating against the Union or any of its members.

2. The Union hereby agrees that while this Agreement is in effect, neither the Union nor any of the Company's employees belonging to the Bargaining Unit shall instigate or promote a strike or any other act in which the employees or any workers affiliated with the Union may totally or partially paralyze or cause a slowdown in the Company's work.

3. The Union and the Company further agree to honor the terms of this Agreement while it is in effect, so as to guarantee permanent industrial peace, and to use all available resources for the fulfillment of this contractual obligation.

ARTICLE XXVI

SENIORITY RIGHTS

A. The principles of seniority shall prevail when two or more employees have equal opportunities as to qualifications, ability, capacity and performance in relation to any promotion, demotion, transfer and job opening. The mere fact that the employee with the higher seniority is among those in equal condition, or is not familiarized with any operational or mechanical processes, shall not disqualify him or her from being considered. The Company shall evaluate and seriously consider the Union's opinion on this matter. The Union shall have the option of submitting such opinion in writing before the Company makes a final determination about the qualifications, ability, capacity and performance of the employee involved. The Company's decision regarding qualifications, ability, capacity and performance shall be final, and will be notified in advance to the Union by the Human Resources Department.

In consonance with the above, if the employee with the higher seniority has been selected according to the preceding paragraph and is not familiarized with any operational or mechanical process, the Company shall provide training to said employee for a period not to exceed ninety (90) calendar days, during which the Company shall make an evaluation to determine whether the employee remains in that position or returns to the job he or she previously held. At the request of the Union, the Company may extend the training period up to a maximum of ninety (90) additional calendar days, unless the Company, at its own discretion, understands that more time is necessary. The Company's decision as to whether the employee remains or not in the position, or extends or not the training period, shall be final.

Employees retained at the end of their probatory period shall become regular employees and their seniority status will be credited starting from the date of employment.

B. The Company shall provide the Union with a seniority list every six (6) months. Said list shall include the employees' names, dates of employment, and classifications.

C. When it becomes necessary to lay off personnel, those employees with the lower seniority in the Company within the affected classification, shall be dismissed first according to the seniority list. Layoffs previous to that shall have included probatory, temporary, part-time, and other employees performing duties which normally belong to the Bargaining Unit. No employee who has been temporarily suspended shall be kept on the seniority list for more than one year, after which he or she will be considered as permanently separated from the Company. If a suspended employee does not report to work within five (5) days after being so notified in writing to his/her last known address by the Company, shall lose all seniority rights, unless reasons beyond the employee's control prevent him or her from reporting to work after having been so notified by the Company. In these unusual cases, the matter shall be subject to review. Nothing provided for in this Section shall apply to layoffs contemplated in Article XXVII.

D. No employee shall be dismissed without just cause.

E. When an employee belonging to the Union is offered a promotion to a position outside the jurisdiction of the Bargaining Unit, and he or she accepts it, said employee shall have the privilege to return to the old job without losing seniority, provided that such action is taken within six (6) months from the date in which he or she accepted said position with the Company. If the employee chooses to return to the old job, he or she shall retain all previous rights and obligations, just as if there had been no change. Such change shall only be permitted once.

F. Preferential Seniority. Only for the effects of a layoff, preferential seniority shall be applied to no more than eight (8) officers of the Local Union (President, Vice President, Secretary, Treasurer, and Secretary for Finances) and three (3) members of the Grievance Committee, who regardless of their position in the seniority list, shall have seniority preference in cases of layoffs, provided there are jobs available which they can perform. The identity of employees to whom preferential seniority applies shall be notified in writing to the Company.

ARTICLE XXVII

MECHANIZATION AND OTHER IMPROVEMENTS CLAUSE

Should the Company determine the need to train personnel to operate new equipment, the Company hereby agrees to train those qualified employees with the higher seniority in the affected department or from the department where such need exists, as defined in Article XXVI, Seniority Rights.

Should the Company introduce mechanical innovations or new methods in any phase of publishing the newspaper, which would cause the elimination of jobs and/or the layoff of personnel covered by this Collective Agreement, the Company shall compensate each employee laid off by reason of such mechanization, automation, innovation or the introduction of new methods, with one hundred forty (140) hours of pay for each year or fraction thereof in excess of three (3) months in which the employee worked for the Company, up to a maximum of twenty (20) years, plus any annual vacation leave that he or she was entitled to, and in addition to any other benefit provided by the Collective Agreement in effect at the time of said layoff.

ARTICLE XXVIII

SEPARATION OF CLAUSES

If for any legal reason, any Court or competent agency of the Government should declare void, unconstitutional or in conflict with current legislation, any clause, section or article of this Agreement, it shall not invalidate the rest of its contents, which shall remain in full force and effect with the exception of the part(s) thus affected. Should the above ever happen, the bargaining parties shall have the obligation to meet within a period not to exceed thirty (30) days after being informed that such clause or article is incompatible with any law or has been declared null and void by any Court, in order to discuss a new clause, which once approved, shall become part of this Agreement and be in full force and effect.

ARTICLE XXIX

GENERAL PROVISIONS

1. The Company shall provide a bulletin board for the exclusive use of the Union, which will be used to inform its members about assemblies, meetings of the board of directors, and any other matters concerning the Union. Said bulletin board shall not be used for any political purposes, nor to display any derogatory or offensive material that refers to any member of the Union or to any representative or officer of the Company.

2. The Company shall print and send to the Union copies of this Collective Agreement, which the Union shall distribute to its members. A true and accurate translation in the English language shall be provided no later than thirty (30) days after the Agreement is executed. Prior to said printing, the parties shall meet to verify that the typesetting faithfully and accurately concurs with the Agreement originally negotiated.

3. (a) The Company may transfer District Managers within the same region, provided the affected District Manager is notified fifteen (15) days in advance.

(b) The Company may transfer District Managers to adjacent and non-adjacent Regions by mutual agreement between the Company and the District Manager.

(c) Subparagraph (b) shall not apply in the case of region or district reorganization or consolidation, in which case the transfers shall be made, whenever possible, to those regions or districts closest to the place of residence of the affected District Managers. These transfers shall be made by seniority, unless a Manager with a higher seniority agrees with the Company to be transferred to a farther region or district.

4. When the load is excessive due to the size of the newspaper edition, the Company shall provide intermediate transportation facilities to ease the cartage of the product.

5. In the Shop and Dispatch areas, the Company shall provide members of the Unit with four (4) uniforms a year and two (2) pairs of boots. Distributors and Dealers shall be provided with three (3) uniforms a year. The group of employees who work in maintenance shall be entitled to six (6) uniforms and two (2) pairs of boots.

6. The Company shall prepare a working schedule so that distributors may enjoy two (2) consecutive non-fixed days off within a working week on a rotating basis.

7. Should an employee working in traffic light and subscription deliveries be the victim of a holdup, and the complaint has been duly notified to the Police and the matter is investigated by police and insurance authorities, the Company shall pay said employee's commission upon receiving copy of the official complaint from the Puerto Rico Police Department.

ARTICLE XXX

SCHOLARSHIP PLAN

1. The Company shall establish a scholarship plan to allow the children of employees covered by this Agreement to attend universities or colleges duly accredited by Government of Puerto Rico authorities. Employees covered by this Agreement shall also be eligible for said scholarships, provided their studies do not interfere with their work or production.

2. The Company shall contribute the amount of ELEVEN THOUSAND DOLLARS ($11,000.00) per year this Agreement is in effect, to cover the cost of said scholarships.

ARTICLE XXXI

PENSION PLAN

1. The Company and the Union agree to establish a 165E (401K) Retirement Plan. Both the Company and the Union shall be co-administrators of the plan through a group consisting of three (3) members of the Company and three (3) members of the Union, including the Union's International Representative.

2. The Company shall contribute the amount of $85.00 monthly, effective January 1, 1997, which will be raised to $91.00 monthly, effective January 1, 1999, for each permenent employee covered by this Agreement with at least ten years' seniority. In lieu of the $85.00 to $91.00 contribution hereby established, the Company shall contribute for employees with ten (10) or more years of service according to the following scale structured on the basis of percentage per years of service:

a) Employees with ten (10) to fourteen (14) years of service -$86.70 monthly effective January 1, 1997, up to $92.82 effective January 1, 1999. (2% in addition to the $85.00 or $91.00 amounts.)

b) Employees with fifteen (15) to nineteen (19) years of service - $88.40 monthly effective January 1, 1997, up to $94.64 effective January 1, 1999. (4% in addition to the $85.00 or $91.00 amounts.)

c) Employees with twenty (20) to twenty-four (24) years of service - $90.95 monthly effective January 1, 1997, up to $97.37 effective January 1, 1999. (7% in addition to the $85.00 or $91.00 amounts.)

d) Employees with twenty-five (25) years or more of service - $92.65 monthly effective January 1, 1997, up to $99.19

effective January 1, 1999. (9% in addition to the $85.00 or $91.00 amounts.)

3. In lieu of the above mentioned amounts, the Company shall contribute, for every employee hired after December 31, 1993, the amount of $63.75 monthly effective January 1, 1997, up to $68.25 effective January 1, 1999. (75% of the $85.00 and $91.00 amounts.)

4. The Company shall contribute for all reasonable expenses related to the administration of the Plan hereby established, as well as for any other expenses required by law.

ARTICLE XXXII

LEAVES OF ABSENCE

The Company shall grant leaves of absence without pay to employees covered by this Agreement, subject to the following provisions:

A. Any employee who wishes to take a leave of absence for justifiable reasons, shall request it in writing to the Company and to the Union, giving his or her reasons for doing so and the starting date and the duration of the leave. The granting of said leave shall be authorized by the Company, with copy sent to the Union.

B. Duly authorized leaves of absence shall not affect the employee's level of seniority.

C. Such leave without pay shall be requested for a minimum of one (1) month and a maximum of twelve (12) months.

D. The leave may be requested provided that the employee has worked for the Company for at least one (1) year.

E. While enjoying this leave, the employee shall not engage in any other type of work or employment, it being hereby provided that the violation of this clause shall in effect constitute the employee's resignation from the Company. No more than one employee per work classification may take this leave, unless the Company understands that it is possible to grant it to more than one employee without affecting the efficiency of the department's operation.

ARTICLE XXXIII

HEALTH AND SAFETY

1. The Company shall at all times look after the health and safety of its employees. It shall provide all necessary equipment required by the Labor Safety Act for all Union members in every department.

2. The Company shall abide with the safety standards established in this Article.

3. The Company shall perform studies in all its facilities to detect any condition that could affect the health of its employees.

4. A Committe shall be established, consisting of two (2) representatives for the Union and two (2) for the Company, to evaluate the case of those employees whose work is directly related in at least sixty per cent (60%) to video display terminals, cameras, light tables, and any other equipment that emits ultraviolet rays, incandescent light, and radiation. Such employees shall be paid up to a maximum of $100.00 annually for eyeglasses upon recommendation by the Committee. In the case of the employee's first pair of eyeglasses, the Company shall pay for their cost at a place to be determined by the Company.

5. The Company shall provide bullet-proof vests to all photographers and reporters who cover events which may put their lives at risk.

6. The Union shall appoint a Safety Committee composed of two (2) persons who, as far as practical, will submit to the Company recommendations regarding employees' protection and safety in the workplace.

ARTICLE XXXIV

DISABILITY INSURANCE PLAN

Starting on January 1, 1985, the Company shall obtain salary disability insurance to cover all employees of the Bargaining Unit. A contract will be signed with the Pilot Life Company for a Disablity Insurance Plan. The terms and conditions of said Plan are included in Annex "B" of this Agreement.

The Company may contract any other insurance provider that offers the same terms and conditions.

ARTICLE XXXV

EFFECT AND DURATION OF THE AGREEMENT

This Agreement shall be in effect from January 1, 1997, until three years thereafter, which will be on December 31, 1999. It is hereby provided that when this Agreement expires and a new one is being discussed and approved, this Agreement shall remain in full force and effect, unless either of the parties notifies in writing to the other its wish that the Agreement be terminated, in which case it will cease.

In San Juan, Puerto Rico, December 27, 1996.

EL DIA, INC.

Adolfo Comas Bacardí

Vice President and General Manager

Fernando Sánchez

Vice President, Circulation

Jorge Mercado Ruiz

Vice President, Human Resources

Edwin Meléndez

Labor Relations Manager

UNITED STEELWORKERS OF AMERICA

AFL-CIO-CLC, LOCAL CHAPTER 6135

George Becker

International President

Leo Gerard

International Secretary-Treasurer

Richard H. Davis

International Vice President, Administration

Leon Lynch

International Vice President, Human Relations

Homer Wilson

Director, District 9

Miguel Rodríguez Cruz

International Representative

NEGOTIATING COMMITTEE

Héctor Vázquez

President

Ranier Rentas

Rubén Cosme

William Castro

Diego Hernández

Antonio Rodríguez

Secretary

Víctor Santana

Julia González

Joel Batistini

December 19, 1996

Mr. Héctor Vázquez
President,
Steelworkers of America
AFL-CIO-CLC, Local Chapter 6135
El Día, Inc.
Guaynabo, PR

Dear Mr. Vázquez:

This is to confirm certain agreements we have reached regarding the collective negotiation. We have agreed, in addition to the Stipulations herein attached to the Collective Agreement, the following matters:

1. **Reporters' Exclusivity**: It is agreed that starting on the date of execution of this Collective Agreement, Reporters working for the newspaper shall work exclusively on reporting news for EL NUEVO DIA, and thus shall not write articles and/or columns for any newspaper other than EL NUEVO DIA. This exclusivity includes magazines and/or periodicals.

2. **Leadperson**: Employees presently acting as Leadpersons shall not take any disciplinary action at all against members of the Bargaining Unit.

Codially,

Adolfo Comas Bacardí
Vice President
General Manager

STIPULATION

APPEARING:

AS PARTY OF THE FIRST PART: EL DIA, INC., represented in this act by its subscribing authorized Officials, and

AS PARTY OF THE OTHER PART: UNITED STEELWORKERS OF AMERICA, AFL-CIO-CLC AND LOCAL CHAPTER 6135, represented in this act by its subscribing authorized Officials.

WITNESSETH:

The parties agree that should it become necessary to suspend District Managers, Subscription Dealers and Traffic Lights Dealers, an equivalent number of service men and substitutes of Subscription and Traffic Lights Dealersshall be suspended, and said jobs be offered to the affected Union members herein mentioned in the Circulation Department, under the same terms and conditions as non-unionized employees.

In San Juan, Puerto Rico, October 25, 1996

EL DIA, INC.

UNITED STEELWORKERS OF AMERICA AFL-CIO-CLC and Local Chapter 6135

STIPULATION

APPEARING:

AS PARTY OF THE FIRST PART: EL DIA, INC., represented in this act by its Executive Vice President, MR. ADOLFO COMAS BACARDI, of legal age, married, and resident of Guaynabo, Puerto Rico.

AS PARTY OF THE OTHER PART: UNITED STEELWORKERS OF AMERICA, AFL-CIO-CLC AND LOCAL CHAPTER 6135, represented in this act by its International Representative, MR. MIGUEL RODRIGUEZ CRUZ, and by the President of Local Chapter 6135, MR. HECTOR VAZQUEZ, both of legal age and residents of Canóvanas, Puerto Rico.

WITNESSETH:

1. It remains in full force and effect the policy that applies to Distric Managers and Home Dealers which prohibits establishing or designating posts with the purpose of selling newspapers listed as suscriptions, except those authorized by the Circulation Department for the delivery and sale of newspapers. Any unionized employee found to be engaged in said practice shall be immediately suspended from his/her job, and both the Company and the Union are released from any claim thereof. Any District Manager and/or Home Delivery Dealer who might have any problem or doubt regarding the contents of this Stipulation, should contact his/her immediate supervisor and a delegate of the Union, as soon as possible within a ten (10)-day period, in order to discuss and clear up any doubts.

2. The number of days of sick leave for both Home Delivery and Store Dealers shall be computed on the basis of the average commission earned during the four quarters of a specific calendar year. However, in order to receive the first proportional Sick Leave paymennt effective on January 5 of the year in question, the Company shall use an average corresponding to the commissions

earned during the first three quarters of the year payment of Sick Leave is due. At the same time, the Company shall compute within a reasonable period of time the average of commissions earned in the fourth quarter of said year, in order to adjust any excess payment made or refund any difference for the Sick Leave payment made on January 5 of the corresponding year.

3. Payment for Vacations, Christmas Bonus, Holidays, etc., shall be based on the average commissions earned. It is hereby understood that Christmas Bonuses shall never exceed six per cent (6%) of the amount earned during each of the three years this Agreement is in effect, up to a maximum of $25,000.00.

4. Payment for any other benefits provided by this Collective Agreement shall be based on the average commissions earned.

5. Home Delivery Dealers shall have Sundays and Mondays off. During the week, they will work a shift from 3:00 to 8:00 a.m. and 5:00 to 8:00 p.m. On Saturdays the shift will be from 6:00 a.m. to 3:00 p.m., with a meal period from 10:00 to 11:00 a.m. Traffic Light Dealers shall have Saturdays and Sundays off and will earn commissions for five (5) days.

6. Should a vacancy occur in the current position of District Manager, Home Delivery Dealers may apply for that position according to what has been established in the Collective Agreement. None of the current positions of District Manager shall be eliminated to be substituted by Home Delivery Dealers.

7. On Saturdays, Home Delivery Dealers shall be entitled to two (2) hours of overtime pay at the type of salary currently earned by District Managers, Group IX-A.

8. In case it becomes necessary to eliminate positions in the Circulation Department, eliminations shall start at the level of Home Delivery Dealers. It is understood that in the case of

layoffs, the mechanisms provided by the current Collective Agreement shall be used.

9. The Union shall receive written notification of employees selected to be hired under probatory contract, temporary contract, and/or supplementary temporary contract.

10. Home Delivery Dealers shall not be entitled to differential pay.

11. The departments of Pagination, Telephone Switchboard and certain sections of the Editorial Room and Circulation, shall retain any part-time personnel currently in the payroll, and their schedule shall never exceed 28 hours per week. They will continue working under the same exclusions currently applicable to them. In the case of the Circulation Department, service men and substitutes shall not exceed the current number whenever possible. In case of expansion of new districts, the same method currently in use to recruit service men shall be followed.

Given at Guaynabo, Puerto Rico, this 27th day of December, 1996.

EL DIA, INC.

By:

ADOLFO COMAS BACARDI
Executive Vice President and General Manager

AFL-CIO-CLC AND LOCAL CHAPTER 6135

By:

MIGUEL RODRIGUEZ CRUZ
International Representative

Héctor Vázquez
President, Local Chapter 6135

ANNEX "B"

DISABILITY INSURANCE FOR ALL EMPLOYEES OF EL DIA, INC., EFFECTIVE JANUARY 1, 1985 - POLICY NO. 41881

INSURANCE FOR TOTAL AND PERMANENT DISABILITY

Monthly Benefit: Up to 60% of your basic salary.

Maximum Monthly Benefit: **$4,500**

Minimum Monthly Benefit: **$100**

Duration of Benefit: Until reaching 70 years of age for total disability if Social Security has been approved; otherwise this policy will pay for a maximum of 2 years.

Elimination Period: 90 consecutive days, coordinated with Law 139.

MONTHLY AMOUNT OF BENEFIT

You will receive a benefit equal to the monthly benefit indicated on the Scale of Benefits if you are entitled to receive benefits for loss of time in any of the following:

a) Sick leave, Pension or Primary Social Security,

b) Compensation from the State Insurance Fund due to accident or occupational disability; or

c) Any fund, other insurance obtained through any employer, Disability Law, employers' association; then the amount of your monthly benefits under the Extended Disability Policy shall be reduced, provided your total monthly benefits and other benefits do not exceed those indicated on the Scale of Benefits. Increases in Social Security after the employee has been insured shall not reduce the benefits payable under this policy.

BENEFITS FOR PARTIAL DISABILITY AFTER A PERIOD DURING WHICH BENEFITS FOR TOTAL DISABILITY ARE PAYABLE

If immediately following a period in which your are entitled to receive Benefits for Total Disability, you should become partially disabled and under the direct care of a physician (M.D.) as a result of the same injury or illness entitling you to Benefits for Total Disability, but you can arrange for a working schedule limited to no more than half the time you usually worked every day, Pilot Life will pay one-sixtieth (1/60) of your Maximun Benefit, but in no case for more than 90 days.

DESCRIPTION OF BENEFITS

Benefits shall be payable for a period not to exceed two years

if: while insured under the Extended Disability Policy, you should become disabled due to an accident (inside or outside) the workplace, or to an illness, for a period in excess of the time allowed to be eligible for monthly benefits; you are totally and continuously incapacitated and under the direct care of a doctor legally authorized to practice medicine (except yourself) and you can not perform each and every task corresponding to your occupation. If after the first two years of disability you remain incapacitated and are unable to perform any paid job or receive any education, training or experience, you will continue to receive monthly benefits up to the Maximum Payment Period indicated on the Scale of Benefits. This Extended Disability benefit shall be governed by and subject to the terms and conditions of the Main Group Policy. Benefits for any disability caused by mental illness or nervous disorder shall be paid up to a maximum of 12 months, except in the case that the patient is hospitalized or undergoing convulsive therapy.

These benefits shall cease during any period in which you perform any occupation, unless done under a rehabilitation program approved by Pilot Life. If after recovering from the disability you return to work for 60 or more days, any subsequent disability shall be considered as a new period of disability under the policy, and a new elimination period shall be applied.

If an employee dies while receiving disability benefits, the benefits shall continue to be paid to the surviving beneficiaries designated by the employee, for a period of 90 days after the death occured.

EXCLUSIONS: Disabilities caused by or are the result of self-inflicted injuries, serving in the armed forces, and/or an act of war, shall not be covered.

WHEN DOES YOUR COVERAGE BEGIN: Immediately for all active employees on the effective date of this policy, provided he or she was not absent from work during the preceding 14 days due to injury or illness. Future eligible employees shall be covered once their probatory period, determined by the Company, is completed, provided he or she was not absent from work during the preceding 14 days due to injury or illness. If you are not actively working on the day that your policy would otherwise be effective, you will be insured on the day you return to active work and request this coverage.

This is just a brief description of the plan governing the Main Policy in all cases. Every insured employee shall receive a certified brochure which explains the benefits in all details and conditions.

(End)